



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

March 21, 2006

The Honorable Tom Horne
Superintendent of Public Instruction
Arizona Department of Education
Executive Officer
Arizona State Board of Education
1535 West Jefferson Street
Phoenix, AZ 85007

Subject: Piñon Unified School District No. 4

Dear Mr. Horne:

In our December 3, 2004, letter to you, we requested that the Arizona State Board of Education take action on Piñon Unified School District No. 4 because the District had not complied with the *Uniform System of Financial Records* (USFR).

We subsequently performed a status review of the District's internal controls as of January 11, 2006, pursuant to the District's representation to the Arizona State Board of Education in September 2005 that it had corrected its deficiencies. Our review covered the deficiencies we had previously communicated to District management and deficiencies included in the District's June 30, 2003, and June 30, 2004, audit reports and USFR Compliance Questionnaires. The purpose of our status review was to determine whether the District was in substantial compliance with the USFR as of the date of our review. Our review consisted primarily of inquiries and selective testing of accounting records and control procedures. The review was more limited in scope than would be necessary to express an opinion on the District's internal controls. Accordingly, we do not express an opinion on its internal controls or ensure that all deficiencies were disclosed.

We acknowledge the District's diligence in correcting its deficiencies. Based on our status review, the District has complied with the USFR.

If you have questions concerning this matter, please call Magdalene Haggerty, Accounting Services Director, or me at (602) 553-0333.

Sincerely,

Debra K. Davenport
Auditor General

DKD/MH/gr

cc: Governing Board
Mr. Larry E. Wallen, Superintendent
Piñon Unified School District No. 4
The Honorable Linda Morrow, Navajo County School Superintendent
Mr. Vince Yanez, Executive Director
Arizona State Board of Education
Ms. Vicki G. Salazar, Associate Superintendent of Financial Services
Arizona Department of Education